

Section 2.04 - DU Refi Plus™ Loan Program

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Overview

Product Summary

- The DU Refi Plus™ is a loan program created to support the “Making Home Affordable Initiative.” This loan program provides expanded opportunities for borrowers who have demonstrated an acceptable payment history on their Fannie Mae owned or guaranteed mortgage, but have not been able to refinance due to declining property values or an inability to obtain mortgage insurance.

CORRESPONDENT LENDERS MUST COMPLETE THE “REQUEST FOR SUNTRUST TO SUNTRUST INFORMATION FOR DU REFI PLUS™ LOANS” FORM ([COR 0062](#)) PRIOR TO REGISTERING OR LOCKING A DU REFI PLUS LOAN. Upon SunTrust’s receipt of this form, the Fidelity Snapshot will be accessed by a SunTrust teammate to confirm if SunTrust is servicing the existing first mortgage and if the existing first mortgage meets initial eligibility tests for DU Refi Plus.

- Eligible loan products available under the DU Refi Plus loan program include the following:
 - Agency Fully Amortizing Fixed Rate,
 - Agency Fully Amortizing 5/1, 7/1 & 10/1 LIBOR ARMs,
 - Agency Plus Fully Amortizing Fixed Rate, and
 - Agency Plus Fully Amortizing 5/1, 7/1 & 10/1 LIBOR ARMs.

Note: 3/1 LIBOR ARMs, HomeReady Mortgages, Home Possible Mortgages, and Texas 50(a)(6) loans are NOT eligible.

- All Agency and Agency Plus loans originated under the DU Refi Plus loan program must be processed through Fannie Mae’s Desktop Underwriter (DU) and receive a DU Refi Plus “Approve/Eligible” recommendation.
- If a loan is eligible for the DU Refi Plus loan program then the loan can be processed and closed as a DU Refi Plus.
- If the loan is ineligible for the DU Refi Plus loan program, then the loan MUST be resubmitted to DU with the DU Refi Plus Opt Out Option exercised and the loan MUST be processed as a standard limited cash-out (rate/term) refinance transaction.

Reference: See the *DU Refi Plus Opt Out Option* subtopic in the *AUS Submission, Recommendations and Tolerances* topic subsequently presented in this product description for additional information regarding the DU Refi Plus Opt Out Option.

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Overview, Continued

Product Summary, (continued)

- Agency and Agency Plus DU Refi Plus transactions are NOT eligible for traditional underwriting or processing through Freddie Mac's Loan Prospector (LP) automated underwriting system.

Notes:

- Borrowers who are refinancing an existing SunTrust first mortgage (ST to ST transactions), should be referred to SunTrust's Loss Mitigation Department (1-800-443-1032, Option #3) to review loan modification options if: they fall outside of the DU Refi Plus loan parameters outlined in this product description, but are at risk of imminent default.
- A risk of imminent default *may* exist when a borrower has suffered a valid hardship that impacts their ability to pay their mortgage in the near future, generally 90 days from the initial discussion with the borrower.

References:

- See the *Underwriting* topic subsequently presented in this product description for procedures for loan referrals to SunTrust's Loss Mitigation Department.
- See the *AUS Submission, Recommendations and Tolerances* topic subsequently presented in this product description for additional information regarding AUS processing.
- Unless otherwise stated, all guidelines outlined in this product description will apply to standard Agency and Agency Plus DU Refi Plus transactions.
- **GUIDELINES NOT ADDRESSED IN THIS PRODUCT DESCRIPTION WILL FOLLOW STANDARD AGENCY DU AND AGENCY PLUS GUIDELINES.**

Reference: See [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for standard Agency DU and Agency Plus guidelines.

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Overview, Continued

Features and Benefits

Features and benefits of the DU Refi Plus loan program include the following:

| Feature | Benefit |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Expanded LTVs for fixed rate transactions with loan terms up to 30 years are available. | Provides financing opportunities for borrowers who owe more than their home is worth due to the decline in property values. |
| Mortgage insurance (MI) is not required for transactions where the original LTV was 80% or less. | Flexible MI guidelines eliminate the requirement for borrowers to purchase new or additional MI coverage on the new loan. |
| Fixed Rate, 5/1, 7/1 and 10/1 ARM loan products available | Allows borrowers to obtain a more stable mortgage product to ensure long-term homeownership sustainability. |
| AUS eligibility | Streamlined efficiencies and reduced documentation requirements of AUS processing. |

Related Bulletins

General

Related bulletins are provided below in PDF format. To view the list of published bulletins, select the applicable year below.

- [2018](#)
 - [2017](#)
 - [2016](#)
-

Existing Mortgage Eligibility Requirements

Existing Investor and Servicer Requirements

- The existing mortgage MUST be a Fannie Mae owned or guaranteed first lien mortgage.

Notes:

- The existing mortgage must have a Note date on or before May 31, 2009.
- If the **NEW** loan requires mortgage insurance, the loan is **NOT** eligible for purchase by SunTrust under the DU Refi Plus loan program.
- When the loan casefile is submitted to DU, DU will determine if the borrower and subject property address on the loan casefile match an existing eligible Fannie Mae loan. A successful match is required in order for DU to evaluate the loan for DU Refi Plus eligibility.

Reference: See the *AUS Submission, Recommendations and Tolerances* topic subsequently presented in this product description for additional information regarding the specific messaging issued by DU when a loan casefile is identified as being eligible for the DU Refi Plus loan program.

- The existing servicer may be SunTrust or another lender.
- Correspondent lenders must complete the “Request for SunTrust to SunTrust Information for DU Refi Plus™ Loans” form ([COR 0062](#)) prior to registering or locking a DU Refi Plus loan. Upon SunTrust’s receipt of this form, the Fidelity Snapshot must be accessed by a SunTrust teammate to confirm if SunTrust is servicing the existing first mortgage and if the existing first mortgage meets initial eligibility tests for DU Refi Plus. The Fidelity Snapshot does not guarantee or imply borrower eligibility for the DU Refi Plus program. The Fidelity Snapshot printout must be placed in the loan file and maintained as a part of the imaged loan file.

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Existing Mortgage Eligibility Requirements, Continued

Ineligible Existing Mortgages

Ineligible existing mortgages include the following:

- Loans with Note dates after May 31, 2009,
- Mortgage loans that are subject to any credit enhancement (i.e., full or partial recourse, Investor Paid Primary or pool insurance coverage) other than borrower paid mortgage insurance,
- Mortgage loans that are currently subject to any outstanding repurchase request from Fannie Mae,
- Portfolio Affordable and Doctor loans,
- Loan with Lender Paid Mortgage Insurance,
- Reverse mortgage loans,
- Second mortgage loans,
- Government mortgage loans,
- Rural Development Guaranteed Rural Housing loans, and
- Texas 50(a)(6).

Note: The above existing first mortgage ineligibility criteria will be evaluated by either DU or the SunTrust Fidelity Snapshot.

Existing Mortgage Payment History Requirements

Reference: See the *Credit History Analysis* subtopic in the *Credit Requirements* topic subsequently presented in this product description for existing mortgage payment history requirements.

Loan Terms

Loan Term

Agency:

- **LTVs \leq 105%:**
 - Fully Amortizing Fixed Rate: 10-30 years
 - Fully Amortizing 5/1 & 7/1 LIBOR ARMs: 10-30 years
 - Fully Amortizing 10/1 LIBOR ARMs: 15-30 years
- **LTVs > 105% (ST to ST Only):**
 - Fully Amortizing Fixed Rate: 10-30 years

Agency Plus:

- **LTVs \leq 105%:**
 - Fully Amortizing Fixed Rate: 10, 15, 20, and 30 years
 - Fully Amortizing 5/1, 7/1 & 10/1 LIBOR ARMs: 30 years
 - **LTVs > 105% (ST to ST Only):**
 - Fully Amortizing Fixed Rate: 10, 15, 20, and 30 years
-

Minimum Loan Amount

Agency:

- No minimum loan amount.

Agency Plus:

- \$484,351 for one (1) unit properties
- \$620,201 for two (2) unit properties
- \$749,651 for three (3) unit properties
- \$931,601 for four (4) unit properties

Notes:

- For Agency Plus loans, the minimum loan amount is always one (\$1) dollar above the standard Agency conforming loan amount for one (1) to four (4) unit properties.
 - For Agency Plus loans, three (3) to four (4) unit properties are only eligible for ST to ST transactions.
 - For Agency Plus non-ST to ST loans, two (2) unit properties are only eligible for primary residence transactions.
-

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Loan Terms, Continued

Maximum Loan Amount

Agency:

- \$484,350 for one (1) unit properties
- \$620,200 for two (2) unit properties
- \$749,650 for three (3) unit properties
- \$931,600 for four (4) unit properties

Agency Plus:

- Agency Plus loans are available ONLY in high cost areas (as defined by HUD).
- The maximum loan amount will vary based on the location of the subject property; however, will NEVER exceed:
 - \$726,525 for one (1) unit properties,
 - \$930,300 for two (2) unit properties,
 - \$1,124,475 for three (3) unit properties, and
 - \$1,397,400 for four (4) unit properties.

Notes:

- For Agency Plus loans, three (3) to four (4) unit properties are only eligible for ST to ST transactions.
- For Agency Plus non-ST to ST loans, two (2) unit properties are only eligible for primary residence transactions.

Continued on next page

Loan Terms, Continued

Maximum LTV/TLTV/HTLTV, Primary Residence

Agency:

- **LTVs \leq 105%:**
 - Fully Amortizing Fixed Rate: 10-30 years
 - Fully Amortizing 5/1 & 7/1 LIBOR ARMs: 10-30 years
 - Fully Amortizing 10/1 LIBOR ARMs: 15-30 years
- **LTVs > 105% (ST to ST Only):**
 - Fully Amortizing Fixed Rate: 10-30 years

Note: For ST to ST loans, if the NEW loan requires mortgage insurance, at this time, the loan is **NOT** eligible for origination with SunTrust under the DU Refi Plus loan program.

References:

- See the *Minimum Loan Amount and Maximum Loan Amount* subtopics previously presented in this product description for additional information regarding determining the minimum and maximum allowable loan amounts.
- See the *Geographic Restrictions* topic subsequently presented in this product description for additional information on state specific lending restrictions.

| Loan Program | Product | LTV/TLTV/HTLTV for DU Limited Cash-Out (Rate/Term) Refinances | | | | |
|--------------|----------------------|---------------------------------------------------------------|---------------------------------------|-------------------------|--------------------------------------------------------------|----------------------------------------------------------|
| | | ST to ST # of Units | ST to ST Transactions | Non-ST to ST # of Units | Non-ST to ST Transactions (MI NOT REQUIRED on Original Loan) | Non-ST to ST Transactions (MI REQUIRED on Original Loan) |
| Agency | Fixed Rate | 1-4 | no max/no max/no max ^{1,2,3} | 1-4 | 95%/95%/95% ^{1,3} | 80%/95%/95% ^{1,3} |
| Agency | 5/1, 7/1 & 10/1 ARMs | 1-4 | 105%/no max/no max ^{1,2,3} | 1-4 | 95%/95%/95% ^{1,3} | 80%/95%/95% ^{1,3} |

¹ LTV is the "loan-to-value" of the first mortgage to the value of the property. TLTV is the "total loan-to-value" of the first AND second mortgage to the value of the property (if second is HELOC, the outstanding balance is used to calculate TLTV). HTLTV is the "HELOC total loan-to-value" of the first AND HELOC second mortgage to the value of the property. The total available credit line is used to calculate the HTLTV, unless the HELOC has been permanently modified. If the HELOC has been permanently modified, and the outstanding unpaid principal balance (UPB) is less than the permanently modified HELOC, then use the modified HELOC amount to calculate the HTLTV. Or, if the outstanding unpaid principal balance (UPB) is greater than the permanently modified HELOC, then use the outstanding UPB to calculate the HTLTV. Appropriate documentation that the HELOC has been permanently modified must be included in the loan file.

² There is no maximum TLTV or HTLTV limit for ST to ST DU Refi Plus loan transactions.

³ New subordinate financing is allowed. If subordinate financing exists, the existing second can remain in place and be resubordinated to the new DU Refi Plus mortgage loan or the existing second may be simultaneously refinanced. See the *Secondary Financing* topic subsequently presented in this product description for additional information regarding subordinations.

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Loan Terms, Continued

Maximum LTV/TLTV/HTLTV, Primary Residence,
(continued)

Agency Plus:

- **LTVs <= 105%:**
 - Fully Amortizing Fixed Rate: 10, 15, 20, and 30 years
 - Fully Amortizing 5/1, 7/1 & 10/1 LIBOR ARMs: 30 years
- **LTVs > 105% (ST to ST Only):**
 - Fully Amortizing Fixed Rate: 10, 15, 20, and 30 years

Note: For ST to ST loans, if the NEW loan requires mortgage insurance, at this time, the loan is **NOT** eligible for origination with SunTrust under the DU Refi Plus loan program.

References:

- See the *Minimum Loan Amount and Maximum Loan Amount* subtopics previously presented in this product description for additional information regarding determining the minimum and maximum allowable loan amounts.
- See the *Geographic Restrictions* topic subsequently presented in this product description for additional information on state specific lending restrictions.

| Loan Program | Product | LTV/TLTV/HTLTV for DU Limited Cash-Out (Rate/Term) Refinances | | | | |
|--------------|----------------------|---------------------------------------------------------------|---------------------------------------|-------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|
| | | ST to ST # of Units | ST to ST Transactions | Non-ST to ST # of Units | Non-ST to ST Transactions (MI NOT REQUIRED on Original Loan) | Non-ST to ST Transactions (MI REQUIRED on Original Loan) |
| Agency Plus | Fixed Rate | 1-4 | no max/no max/no max ^{1,2,3} | <u>1</u> <u>2</u> | <u>90%/90%/90%</u> ^{1,3} <u>75%/75%/75%</u> ^{1,3} | <u>80%/90%/90%</u> ^{1,3} <u>75%/75%/75%</u> ^{1,3} |
| Agency Plus | 5/1, 7/1 & 10/1 ARMs | 1-4 | 105%/no max/no max ^{1,2,3} | <u>1-2</u> | <u>75%/75%/75%</u> ^{1,3} | <u>75%/75%/75%</u> ^{1,3} |

¹ LTV is the "loan-to-value" of the first mortgage to the value of the property. TLTV is the "total loan-to-value" of the first AND second mortgage to the value of the property (if second is HELOC, the outstanding balance is used to calculate TLTV). HTLTV is the "HELOC total loan-to-value" of the first AND HELOC second mortgage to the value of the property. The total available credit line is used to calculate the HTLTV, unless the HELOC has been permanently modified. If the HELOC has been permanently modified, and the outstanding unpaid principal balance (UPB) is less than the permanently modified HELOC, then use the modified HELOC amount to calculate the HTLTV. Or, if the outstanding unpaid principal balance (UPB) is greater than the permanently modified HELOC, then use the outstanding UPB to calculate the HTLTV. Appropriate documentation that the HELOC has been permanently modified must be included in the loan file.

² There is no maximum TLTV or HTLTV limit for ST to ST DU Refi Plus loan transactions.

³ New subordinate financing is allowed. If subordinate financing exists, the existing second can remain in place and be resubordinated to the new DU Refi Plus mortgage loan or the existing second may be simultaneously refinanced. See the *Secondary Financing* topic subsequently presented in this product description for additional information regarding subordinations.

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Loan Terms, Continued

Maximum LTV/TLTV/HTLTV, Second Home

Agency:

- **LTVs \leq 105%:**
 - Fully Amortizing Fixed Rate: 10-30 years
 - Fully Amortizing 5/1 & 7/1 LIBOR ARMs: 10-30 years
 - Fully Amortizing 10/1 LIBOR ARMs: 15-30 years
- **LTVs > 105% (ST to ST Only):**
 - Fully Amortizing Fixed Rate: 10-30 years

Note: For ST to ST loans, if the NEW loan requires mortgage insurance, at this time, the loan is **NOT** eligible for origination with SunTrust under the DU Refi Plus loan program.

References:

- See the *Minimum Loan Amount and Maximum Loan Amount* subtopics previously presented in this product description for additional information regarding determining the minimum and maximum allowable loan amounts.
- See the *Geographic Restrictions* topic subsequently presented in this product description for additional information on state specific lending restrictions.

| Loan Program | Product | LTV/TLTV/HTLTV for DU Limited Cash-Out (Rate/Term) Refinances | | | | |
|--------------|----------------------|---------------------------------------------------------------|---------------------------------------|-------------------------|--------------------------------------------------------------|----------------------------------------------------------|
| | | ST to ST # of Units | ST to ST Transactions | Non-ST to ST # of Units | Non-ST to ST Transactions (MI NOT REQUIRED on Original Loan) | Non-ST to ST Transactions (MI REQUIRED on Original Loan) |
| Agency | Fixed Rate | 1 | no max/no max/no max ^{1,2,3} | 1 | 90%/90%/90% ^{1,3} | 80%/90%/90% ^{1,3} |
| Agency | 5/1, 7/1 & 10/1 ARMs | 1 | 105%/no max/no max ^{1,2,3} | 1 | 90%/90%/90% ^{1,3} | 80%/90%/90% ^{1,3} |

¹ LTV is the "loan-to-value" of the first mortgage to the value of the property. TLTV is the "total loan-to-value" of the first AND second mortgage to the value of the property (if second is HELOC, the outstanding balance is used to calculate TLTV). HTLTV is the "HELOC total loan-to-value" of the first AND HELOC second mortgage to the value of the property. The total available credit line is used to calculate the HTLTV, unless the HELOC has been permanently modified. If the HELOC has been permanently modified, and the outstanding unpaid principal balance (UPB) is less than the permanently modified HELOC, then use the modified HELOC amount to calculate the HTLTV. Or, if the outstanding unpaid principal balance (UPB) is greater than the permanently modified HELOC, then use the outstanding UPB to calculate the HTLTV. Appropriate documentation that the HELOC has been permanently modified must be included in the loan file.

² There is no maximum TLTV or HTLTV limit for ST to ST DU Refi Plus loan transactions.

³ New subordinate financing is allowed. If subordinate financing exists, the existing second can remain in place and be resubordinated to the new DU Refi Plus mortgage loan or the existing second may be simultaneously refinanced. See the *Secondary Financing* topic subsequently presented in this product description for additional information regarding subordinations.

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Loan Terms, Continued

Maximum LTV/TLTV/HTLTV, Second Home,
(continued)

Agency Plus:

- **LTVs <= 105%:**
 - Fully Amortizing Fixed Rate: 10, 15, 20, and 30 years
 - Fully Amortizing 5/1, 7/1 & 10/1 LIBOR ARMs: 30 years
- **LTVs > 105% (ST to ST Only):**
 - Fully Amortizing Fixed Rate: 10, 15, 20, and 30 years

Note: For ST to ST loans, if the NEW loan requires mortgage insurance, at this time, the loan is **NOT** eligible for origination with SunTrust under the DU Refi Plus loan program.

References:

- See the *Minimum Loan Amount and Maximum Loan Amount* subtopics previously presented in this product description for additional information regarding determining the minimum and maximum allowable loan amounts.
- See the *Geographic Restrictions* topic subsequently presented in this product description for additional information on state specific lending restrictions.

| Loan Program | Product | LTV/TLTV/HTLTV for DU Limited Cash-Out (Rate/Term) Refinances | | | | |
|--------------|----------------------|---------------------------------------------------------------|---------------------------------------|-------------------------|--------------------------------------------------------------|----------------------------------------------------------|
| | | ST to ST # of Units | ST to ST Transactions | Non-ST to ST # of Units | Non-ST to ST Transactions (MI NOT REQUIRED on Original Loan) | Non-ST to ST Transactions (MI REQUIRED on Original Loan) |
| Agency Plus | Fixed Rate | 1 | no max/no max/no max ^{1,2,3} | 1 | <u>65%/65%/65%</u> ^{1,3} | <u>65%/65%/65%</u> ^{1,3} |
| Agency Plus | 5/1, 7/1 & 10/1 ARMs | 1 | 105%/no max/no max ^{1,2,3} | 1 | <u>65%/65%/65%</u> ^{1,3} | <u>65%/65%/65%</u> ^{1,3} |

¹ LTV is the "loan-to-value" of the first mortgage to the value of the property. TLTV is the "total loan-to-value" of the first AND second mortgage to the value of the property (if second is HELOC, the outstanding balance is used to calculate TLTV). HTLTV is the "HELOC total loan-to-value" of the first AND HELOC second mortgage to the value of the property. The total available credit line is used to calculate the HTLTV, unless the HELOC has been permanently modified. If the HELOC has been permanently modified, and the outstanding unpaid principal balance (UPB) is less than the permanently modified HELOC, then use the modified HELOC amount to calculate the HTLTV. Or, if the outstanding unpaid principal balance (UPB) is greater than the permanently modified HELOC, then use the outstanding UPB to calculate the HTLTV. Appropriate documentation that the HELOC has been permanently modified must be included in the loan file.

² There is no maximum TLTV or HTLTV limit for ST to ST DU Refi Plus loan transactions.

³ New subordinate financing is allowed. If subordinate financing exists, the existing second can remain in place and be resubordinated to the new DU Refi Plus mortgage loan or the existing second may be simultaneously refinanced. See the *Secondary Financing* topic subsequently presented in this product description for additional information regarding subordinations.

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Loan Terms, Continued

Maximum LTV/TLTV/HTLTV, Investment Property

Agency:

- **LTVs \leq 105%:**
 - Fully Amortizing Fixed Rate: 10-30 years
 - Fully Amortizing 5/1 & 7/1 LIBOR ARMs: 10-30 years
 - Fully Amortizing 10/1 LIBOR ARMs: 15-30 years
- **LTVs > 105% (ST to ST Only):**
 - Fully Amortizing Fixed Rate: 10-30 years

Note: For ST to ST loans, if the NEW loan requires mortgage insurance, at this time, the loan is **NOT** eligible for origination with SunTrust under the DU Refi Plus loan program.

References:

- See the *Minimum Loan Amount and Maximum Loan Amount* subtopics previously presented in this product description for additional information regarding determining the minimum and maximum allowable loan amounts.
- See the *Geographic Restrictions* topic subsequently presented in this product description for additional information on state specific lending restrictions.

| Loan Program | Product | LTV/TLTV/HTLTV for DU Limited Cash-Out (Rate/Term) Refinances | | | | |
|--------------|----------------------|---------------------------------------------------------------|---------------------------------------|-------------------------|--------------------------------------------------------------|----------------------------------------------------------|
| | | ST to ST # of Units | ST to ST Transactions | Non-ST to ST # of Units | Non-ST to ST Transactions (MI NOT REQUIRED on Original Loan) | Non-ST to ST Transactions (MI REQUIRED on Original Loan) |
| Agency | Fixed Rate | 1-4 | no max/no max/no max ^{1,2,3} | 1-4 | 75%/75%/75% ^{1,3} | 75%/75%/75% ^{1,3} |
| Agency | 5/1, 7/1 & 10/1 ARMs | 1-4 | 105%/no max/no max ^{1,2,3} | 1-4 | 75%/75%/75% ^{1,3} | 75%/75%/75% ^{1,3} |

¹ LTV is the "loan-to-value" of the first mortgage to the value of the property. TLTV is the "total loan-to-value" of the first AND second mortgage to the value of the property (if second is HELOC, the outstanding balance is used to calculate TLTV). HTLTV is the "HELOC total loan-to-value" of the first AND HELOC second mortgage to the value of the property. The total available credit line is used to calculate the HTLTV, unless the HELOC has been permanently modified. If the HELOC has been permanently modified, and the outstanding unpaid principal balance (UPB) is less than the permanently modified HELOC, then use the modified HELOC amount to calculate the HTLTV. Or, if the outstanding unpaid principal balance (UPB) is greater than the permanently modified HELOC, then use the outstanding UPB to calculate the HTLTV. Appropriate documentation that the HELOC has been permanently modified must be included in the loan file.

² There is no maximum TLTV or HTLTV limit for ST to ST DU Refi Plus loan transactions.

³ New subordinate financing is allowed. If subordinate financing exists, the existing second can remain in place and be resubordinated to the new DU Refi Plus mortgage loan or the existing second may be simultaneously refinanced. See the *Secondary Financing* topic subsequently presented in this product description for additional information regarding subordinations.

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Loan Terms, Continued

Maximum LTV/TLTV/HTLTV, Investment Property, (continued)

Agency Plus:

- **LTVs \leq 105%:**
 - Fully Amortizing Fixed Rate: 10, 15, 20, and 30 years
 - Fully Amortizing 5/1, 7/1 & 10/1 LIBOR ARMs: 30 years
- **LTVs > 105% (ST to ST Only):**
 - Fully Amortizing Fixed Rate: 10, 15, 20, and 30 years

Note: For ST to ST loans, if the NEW loan requires mortgage insurance, at this time, the loan is **NOT** eligible for origination with SunTrust under the DU Refi Plus loan program.

References:

- See the *Minimum Loan Amount and Maximum Loan Amount* subtopics previously presented in this product description for additional information regarding determining the minimum and maximum allowable loan amounts.
- See the *Geographic Restrictions* topic subsequently presented in this product description for additional information on state specific lending restrictions.

| Loan Program | Product | LTV/TLTV/HTLTV for DU Limited Cash-Out (Rate/Term) Refinances | | | | |
|--------------|----------------------|---------------------------------------------------------------|---------------------------------------|-------------------------|--------------------------------------------------------------|----------------------------------------------------------|
| | | ST to ST # of Units | ST to ST Transactions | Non-ST to ST # of Units | Non-ST to ST Transactions (MI NOT REQUIRED on Original Loan) | Non-ST to ST Transactions (MI REQUIRED on Original Loan) |
| Agency Plus | Fixed Rate | 1-4 | no max/no max/no max ^{1,2,3} | 1 | 65%/65%/65% ^{1,3} | 65%/65%/65% ^{1,3} |
| Agency Plus | 5/1, 7/1 & 10/1 ARMs | 1-4 | 105%/no max/no max ^{1,2,3} | 1 | 65%/65%/65% ^{1,3} | 65%/65%/65% ^{1,3} |

¹ LTV is the "loan-to-value" of the first mortgage to the value of the property. TLTV is the "total loan-to-value" of the first AND second mortgage to the value of the property (if second is HELOC, the outstanding balance is used to calculate TLTV). HTLTV is the "HELOC total loan-to-value" of the first AND HELOC second mortgage to the value of the property. The total available credit line is used to calculate the HTLTV, unless the HELOC has been permanently modified. If the HELOC has been permanently modified, and the outstanding unpaid principal balance (UPB) is less than the permanently modified HELOC, then use the modified HELOC amount to calculate the HTLTV. Or, if the outstanding unpaid principal balance (UPB) is greater than the permanently modified HELOC, then use the outstanding UPB to calculate the HTLTV. Appropriate documentation that the HELOC has been permanently modified must be included in the loan file.

² There is no maximum TLTV or HTLTV limit for ST to ST DU Refi Plus loan transactions.

³ New subordinate financing is allowed. If subordinate financing exists, the existing second can remain in place and be resubordinated to the new DU Refi Plus mortgage loan or the existing second may be simultaneously refinanced. See the *Secondary Financing* topic subsequently presented in this product description for additional information regarding subordinations.

Continued on next page

Loan Terms, Continued

ARM Parameters Reference: See [Section 2.01: Agency Loan Programs](#) in the *Correspondent Seller Guide* for 5/1, 7/1 and 10/1 LIBOR ARM parameter guidelines.

Interest Only Parameters Interest only transactions are NOT eligible under the DU Refi Plus loan program.

Maximum Number of Financed Properties **Non-ST to ST Transactions**
Reference: See “Multiple Financed Properties for the Same Borrower” in the “Loan Terms” topic outlined in [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for guidelines.

ST to ST Transactions

Regardless of the occupancy type (i.e., primary residence, second home or investment property), there are no limits to the maximum number of financed properties a borrower may own (individually or jointly), or SunTrust borrower exposure.

Ability-to-Repay and Qualified Mortgage

General Reference: See the “Ability-to-Repay and Qualified Mortgage” topic in [Section 1.05: Underwriting](#) for guidance.

Eligible Transactions

General

- All DU Refi Plus loans MUST be originated as a limited cash-out (rate/term) refinance transaction.
- The application date must be on or before December 31, 2018.
- Purchase money, cash-out refinance, construction-permanent (one time and two time closings) and streamline refinance transactions are NOT eligible.
- Below are limited cash-out refinance guidelines for Agency and Agency Plus DU Refi Plus transactions.

ST to ST Transactions

- The borrower may receive up to \$250 cash back at closing.
- **Property Assessed Clean Energy (PACE) Loans:**
 - A PACE loan may not be paid off with the loan proceeds or remain in a first or subordinate lien position on a DU Refi Plus loan.

References:

- See the *Principal Curtailments at Closing* subtopic in the *Closing and Loan Settlement Documentation* topic subsequently presented for additional information.
- See [Section 1.26a: Subordinations for DU Refi Plus](#) in the *Correspondent Seller Guide* for specific SunTrust requirements and procedures for the subordination of SunTrust second mortgages.

Non-ST to ST Transactions

ST to ST guidelines apply.

Continued on next page

Eligible Transactions, Continued

Tangible Net Benefit Requirements

The table below provides information regarding Tangible Net Benefit Requirements for Agency and Agency Plus DU Refi Plus transactions.

| ST to ST Transactions | Non-ST to ST Transactions |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <ul style="list-style-type: none"> • A “Tangible Net Benefit” form must be completed on ALL DU Refi Plus transactions in order to document that the borrower is receiving a benefit in the form of either: <ul style="list-style-type: none"> • A reduced monthly mortgage principal and interest payment, • A reduction in the interest rate, • A reduction in the loan amortization term, or • A more stable mortgage product including, but not limited to, the following: <ul style="list-style-type: none"> • refinancing from an ARM to a fixed rate mortgage, • refinancing from an interest only to a fully amortizing mortgage, • decreasing the borrower’s remaining amortization period, or • refinancing from an ARM to a new ARM with an initial fixed period of five years or more and equal to or greater than the initial fixed period of the existing ARM. • The mortgage loan type may change from a fixed rate mortgage to an ARM provided there is a reduction in the P&I payment. • The new mortgage loan term may exceed the original loan term of the existing mortgage provided there is a reduction in the P&I payment, or a reduction in interest rate. <p>Note: A sample <i>Borrower’s Certificate of Reasonable Tangible Net Benefit for Refinance Loans</i> (COR_0028) is available for the Correspondent lender.</p> <p>Reference: See Section 1.35: Compliance Overview of the <i>Correspondent Seller Guide</i> for additional information regarding state specific net tangible benefit requirements.</p> | <p>ST to ST guidelines apply.</p> |

Secondary Financing

General

ST to ST Transactions

- The following requirements apply to DU Refi Plus transactions with subordinate financing:
 - New subordinate financing is only permitted if it replaces existing subordinate financing.
 - Existing subordinate financing may not be satisfied with the proceeds of the new DU Refi Plus mortgage loan.
 - Existing subordinate financing can remain in place as long as it is resubordinated to the new DU Refi Plus mortgage loan.
 - Existing subordinate financing may be simultaneously refinanced as long as the new subordinate lien loan amount does not exceed the existing unpaid principal balance.
 - SunTrust does not currently allow the use of Hardest Hit Fund Programs for principal reduction or closing cost assistance.
 - **Special Feature Code Requirement:** Use special feature code (SFC) 118 to identify a loan with a subordinate Community Second.

Reference:

- See [Section 2.01: Agency Loan Programs](#) document for additional guidance for Secondary Financing.
- See [Section 1.26a: Subordinations for DU Refi Plus](#) of the *Correspondent Seller Guide* for specific requirements for the subordination of SunTrust second mortgages.

Note: The requirements outlined in Section 1.26: Subordination of SunTrust Second Mortgage Loans documents are NOT applicable to DU Refi Plus transactions.

Non-ST to ST Transactions

ST to ST guidelines apply.

Geographic Restrictions

General

Standard Agency and Agency Plus geographic lending restrictions apply.

References:

- See the *Appraisal Requirements* topic for additional information regarding appraisal waiver requirements.
 - See [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for standard Agency and Agency Plus geographic lending restrictions.
 - See [Section 1.35: Compliance Overview](#) of the *Correspondent Seller Guide* for state specific predatory lending restrictions.
-

Occupancy/Property Types

Agency

ST to ST Transactions

- Eligible occupancy/property types include the following:
 - one (1) to four (4) unit primary residences (attached or detached),
 - one (1) unit second homes (attached or detached),
 - one (1) to four (4) unit investment properties (attached or detached),
 - condominiums and units in a PUD, and
 - modular housing.

Notes:

- A PUD review/warranty is not required on DU Refi Plus ST to ST loan transactions.
- Condominium properties require an abbreviated review by the delegated lender or if underwritten by SunTrust, the SunTrust Condominium Department, to ensure that the property is not a condotel, not in a houseboat project, or in a timeshare or segmented ownership project and all required insurance is in place. The scope of the condominium project review is limited to these items only. No additional project review (including review of original project approval decision) will be required.
- The Fannie Mae DU Refi Plus Condominium Questionnaire ([COR 0217](#)) must be completed and placed in the loan file.
- The Certification of Project Compliance: Condominium/PUD Lender Warranties - Agency and Non-Agency Loan Products ([COR 0212a](#)) must be completed and included in every DU Refi Plus loan file for condominiums warranted under the DU Refi Plus abbreviated condominium review process.

References:

- ST Employees see the Underwriting topic subsequently presented in this product description for workflow regarding the abbreviated condominium review/warranty process.
- See [Section 1.06: Condominium and PUD Approval Requirements](#) of the Correspondent Seller Guide for additional information.
- Ineligible property types include the following:
 - Agricultural properties, such as farms or ranches
 - Bed and breakfast properties
 - Boarding houses
 - Condominium hotels or condotels
 - Co-ops
 - Georgia Power Leaseholds
 - Land development properties
 - Manufactured housing
 - On-frame modular construction
 - Properties that are not secured by real estate such as, houseboats, boat slips, timeshares, and other forms of property that are not real estate
 - Properties that are not readily accessible by roads that meet local standards
 - Properties that are not suitable for year-round occupancy regardless of location
 - Vacant land

Continued on next page

Occupancy/Property Types, Continued

Agency,
(continued)

ST to ST Transactions, continued

- It is acceptable if the occupancy type on the new loan is NOT the same as the occupancy type on the original loan.
- For DU Refi Plus loans secured by leasehold estates, the term of the leasehold estate must run for at least five years beyond the maturity date of the mortgage, unless fee simple title will vest at an earlier date in the borrower. If the term of the leasehold estate does not extend five years beyond the maturity date of the mortgage, the lender should consider offering the borrower a product with a shorter term as a remedy. The lender is not required to perform any additional review of the leasehold terms.
- Properties Listed for Sale
 - Confirmation that the subject property is not currently listed for sale is not required. The subject property may be listed for sale at the time of application or on the disbursement date.
- All other standard Agency occupancy/property guidelines apply.

Reference: See [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for standard Agency occupancy/property guidelines.

Non-ST to ST Transactions

ST to ST guidelines apply with the following EXCEPTIONS:

- On attached PUDs, a PUD review/warranty is required.

Reference: See [Section 1.06: Condominium and PUD Approval Requirements](#) of the *Correspondent Seller Guide* for warranty requirements.

- In addition to the ineligible property types listed for ST to ST transactions, non-warrantable PUD projects are also an ineligible property type.

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Occupancy/Property Types, Continued

Agency Plus

ST to ST Transactions

- Eligible occupancy/property types include the following:
 - one (1) to four (4) unit primary residences (attached or detached),
 - one (1) unit second homes (attached or detached),
 - one (1) to four (4) unit investment properties (attached or detached),
 - condominiums and units in a PUD, and
 - modular housing.

Notes:

- A PUD review/warranty is not required on DU Refi Plus STM to STM loan transactions.
- Condominium properties require an abbreviated review by the delegated lender or if underwritten by SunTrust, the SunTrust Condominium Department, to ensure that the property is not a condotel, not in a houseboat project, or in a timeshare or segmented ownership project and all required insurance is in place. The scope of the condominium project review is limited to these items only. No additional project review (including review of original project approval decision) will be required.
- The Fannie Mae DU Refi Plus Condominium Questionnaire ([COR 0217](#)) must be completed and placed in the loan file.
- The Certification of Project Compliance: Condominium/PUD Lender Warranties - Agency and Non-Agency Loan Products ([COR 0212a](#)) must be completed and included in every DU Refi Plus loan file for condominiums warranted under the DU Refi Plus abbreviated condominium review process.

References:

- ST Employees see the *Underwriting* topic subsequently presented in this product description for workflow regarding the abbreviated condominium review/warranty process.
- See [Section 1.06: Condominium and PUD Approval Requirements](#) of the Correspondent Seller Guide for additional information.
- Ineligible property types include the following:
 - Agricultural properties, such as farms or ranches
 - Bed and breakfast properties
 - Boarding houses
 - Condominium hotels or condotels
 - Co-ops,
 - Georgia Power Leaseholds
 - Land development properties
 - Manufactured housing
 - On-frame modular construction
 - Properties that are not secured by real estate such as, houseboats, boat slips, timeshares, and other forms of property that are not real estate
 - Properties that are not readily accessible by roads that meet local standards
 - Properties that are not suitable for year-round occupancy regardless of location
 - Vacant land

Continued on next page

Occupancy/Property Types, Continued

Agency Plus, (continued)

ST to ST Transactions, continued

- It is acceptable if the occupancy type on the new loan is NOT the same as the occupancy type on the original loan.
- For DU Refi Plus loans secured by leasehold estates, the term of the leasehold estate must run for at least five years beyond the maturity date of the mortgage, unless fee simple title will vest at an earlier date in the borrower. If the term of the leasehold estate does not extend five years beyond the maturity date of the mortgage, the lender should consider offering the borrower a product with a shorter term as a remedy. The lender is not required to perform any additional review of the leasehold terms.
- In addition to the ineligible property types listed for ST to ST transactions, 3-4 unit primary residences, 2-4 unit investment properties, non-warrantable PUD projects, are also ineligible property types.
- Properties Listed for Sale
 - Confirmation that the subject property is not currently listed for sale is not required. The subject property may be listed for sale at the time of application or on the disbursement date.
- All other standard Agency occupancy/property guidelines apply.

Reference: See [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for standard Agency Plus occupancy/property guidelines.

Non-ST to ST Transactions

ST to ST guidelines apply with the following EXCEPTIONS:

- Eligible occupancy/property types include the following:
 - one (1) to two (2) unit primary residences (attached or detached),
 - one (1) unit second homes (attached or detached),
 - one (1) unit investment properties (attached or detached),
 - condominiums and units in a PUD, and
 - modular housing.
- In addition to the ineligible property types listed for ST to ST transactions, 3-4 unit primary residences, 2-4 unit investment properties, non-warrantable PUD projects are also ineligible types.
- On attached PUDs, a PUD review/warranty is required.

Reference: See [Section 1.06: Condominium and PUD Approval Requirements](#) of the *Correspondent Seller Guide* for PUD warranty requirements.

Eligible Borrowers

General

ST to ST Transactions

- A borrower may be added to (including non-occupant co-borrowers) the new loan provided at least one (1) borrower from the existing mortgage remains on the new mortgage.
- Borrowers may be removed from the new loan provided at least one (1) borrower from the existing mortgage remains on the new mortgage.
- As a reminder, each person who has an ownership interest in the security property, even if the person's income is not used in qualifying for the mortgage loan, must sign the security instrument..
- If an existing borrower is being removed with the new mortgage loan, the following requirements apply:
 - The borrower(s) being removed from the loan must also be removed from the deed (i.e., title), except in the case of death.
 - If a borrower is being removed due to death, a copy of the death certificate or other legal document evidencing death must be provided.
- Adding or removing a borrower is allowed when subordinating a SunTrust second mortgage (Combo Second Mortgage, EZ Two, SunTrust Equity Line or Equity Loan).
 - The SunTrust second mortgage cannot be modified, regardless of whether borrower(s) are added to, or removed from, the first mortgage, and
 - borrower(s) currently obligated on the SunTrust second mortgage must remain.
- **Special Feature Code Requirement:** The following Special Feature Code (SFC) must be entered on the origination system in the field labeled "Agency Special Feature Codes", as applicable:
 - SFC 168 for an Inter Vivos (Living) Trust borrower.

Reference: See the *Borrower Verification* subtopic subsequently presented within the Underwriting topic for additional information.

Non-ST to ST Transactions

ST to ST guidelines apply.

Income

Income Documentation Requirements

- **Non-ST to ST Transactions**
 - ST to ST guidelines apply with the following exceptions:
 - Non-seasonal unemployment compensation may NOT be used in qualifying a borrower for a non-ST DU Refi Plus mortgage transaction.
- **ST to ST Transactions**
 - DU offers a reduced level of income documentation for DU Refi Plus mortgage loans. However, when a component of the loan file is validated by the DU validation service, DU will issue a message indicating the required documentation. This documentation requirement may differ from the reduced documentation requirements described below.

Reference: See “DU Validation Service” in the “Fannie Mae DU Loans” subtopic presented in the “Underwriting the Borrower” topic of [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for additional information regarding the DU Validation Service.

- The reduced documentation requirements for DU Refi Plus transactions include, but are not limited to, the following:

| Income Type/Eligible Income Sources | Documentation Requirement |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Base Pay (salary or hourly), Bonus and Overtime Income | One paystub Note: Applies to primary employment, secondary employment (i.e., second job and multiple jobs), and seasonal income. |
| Commission Income | One paystub or one year personal tax return Note: Applies without regard to the percentage of commission earnings. |
| Self-Employment | One year personal tax return Note: Applies to primary and secondary self-employment. |
| Alimony or Child Support | Copy of divorce decree, separation agreement, court order or equivalent documentation, and one month documentation of receipt. |
| Employment Related Assets as Qualifying Income | Lender must obtain standard documentation for this type of income as described in the “Employment Related Assets as Income” subtopic in Section 2.01: Agency Loan Programs . The maximum LTV, TLTV, HLTIV ratio and minimum credit score requirements are not applicable to DU Refi Plus transactions. |

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Income, Continued

Income Documentation Requirements, continued

• **ST to ST Transactions, continued**

| Income Type/Eligible Income Sources | Documentation Requirement |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rental Income | Lease or one year personal tax return (Form 1007 is not required). Notes: <ul style="list-style-type: none"> • Applies to rental income from the subject property or other properties owned by the borrower. • SunTrust clarifies that the <i>Single-Family Comparable Rent Schedule</i> (Form 1007) is not required to document income; however, it may be used to report gross monthly rent. |
| Retirement and Pension | One of the following: <ul style="list-style-type: none"> • Award letter, • One year personal tax return, • W-2 or 1099 form, or • One month bank statement reflecting direct deposit |
| Social Security | One of the following: <ul style="list-style-type: none"> • Award letter, • One year personal tax return, • Form SSA-1099, or • One month bank statement reflecting direct deposit |
| Temporary Leave Income | <ul style="list-style-type: none"> • Regardless of the date of return, the amount of the "regular employment income" the borrower received prior to the temporary leave must be used to qualify. • Lender must receive: <ul style="list-style-type: none"> • the borrower's written confirmation of his or her intent to return to work, and • no evidence or information from the borrower's employer indicating that the borrower does not have the right to return to work after the leave period. |
| Unemployment Benefits (seasonal or non-seasonal in nature) | Document that the borrower has received the payments consistently for at least two years by obtaining copies of signed federal income tax returns. |
| All other Income Types | Document income in accordance with standard Agency DU guidelines. |

- Lenders are not required to verify or assess the borrower's history or receipt of income or the anticipated continuity of the income.

Continued on next page

Income, Continued

Income Documentation Requirements, continued

- **ST to ST Transactions**, continued

References:

- See [Section 2.01: Agency Loan Program](#) of the *Correspondent Seller Guide* for standard Agency DU guidelines.
 - See the “Verbal Verification of Employment (VVOE) / 10-Day Pre-Closing Verification (PCV)” subtopic presented in the “Income” topic of [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for verbal verification of employment requirements.
-

Qualifying Guidelines

Qualifying Rate The table below provides information on qualifying rates for Agency and Agency Plus DU Refi Plus transactions.

| ST to ST Transactions | Non-ST to ST Transactions |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Standard Agency DU and Agency Plus guidelines apply. Reference: See Section 2.01: Agency Loan Programs of the <i>Correspondent Seller Guide</i> for additional information. | ST to ST guidelines apply. |

Qualifying Ratios - Agency

ST to ST Transactions

Qualifying ratios will be determined by DU.

Non-ST to ST Transactions

- The maximum debt-to-income ratio is 45.00% (regardless of LTV).
- If the borrower's proposed mortgage P&I payment increases by more than 20% of the current mortgage P&I (or Interest Only) payment, then the maximum debt ratio is 45%.
 - If the new mortgage is an ARM, then the new payment is based on the ARM qualifying rate.

Qualifying Ratios – Agency Plus

ST to ST Transactions

Qualifying ratios will be determined by DU.

Non-ST to ST Transactions

- The maximum debt-to- income ratio is 45.00% (regardless of the LTV).
- If the borrower's proposed mortgage P&I payment increases by more than 20% of the current mortgage P&I (or Interest Only) payment, then the maximum debt ratio is 45%.
 - If the new mortgage is an ARM, then the new payment is based on the ARM qualifying rate.

Credit Requirements

Credit Score Requirements - Agency

ST to ST Transactions

The minimum credit score requirement will be determined by DU.

Non-ST to ST Transactions

The minimum credit score requirement is 660 for all borrowers, with the following exception:

- If the borrower is financing a second home or investment property, and the borrower will have seven to ten financed properties, the minimum credit score is 720.

Note: For standard Agency DU Refi Plus transactions where a borrower is being added to the transaction, see the “Non-Traditional Credit History” subtopic outlined in [Section 2.01: Agency Loan Programs](#) for guidance on when a borrower is relying on nontraditional credit to qualify (i.e., at least one borrower has no credit score and another borrower has a credit score).

Credit Score Requirements – Agency Plus

ST to ST Transactions

The minimum credit score requirement will be determined by DU.

Non-ST to ST Transactions

The minimum credit scores for Agency Plus DU Refi Plus transactions are outlined in the tables below:

Primary Residence – Fixed Rate:

| Minimum Credit Score |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• 1 Unit Properties:<ul style="list-style-type: none">• LTV/TLTV/HTLTV 80.01 - 90%: <u>720 for all borrowers</u>• LTV/TLTV/HTLTV 75.01 – 80%: <u>700 for all borrowers</u>• LTV/TLTV/HTLTV <= 75%: <u>660 for all borrowers</u>• 2 Unit Properties:<ul style="list-style-type: none">• <u>740 for all borrowers</u> |

Primary Residence – ARMs:

| Minimum Credit Score |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• 1 Unit Properties:<ul style="list-style-type: none">• <u>680 for all borrowers</u>• 2 Unit Properties:<ul style="list-style-type: none">• <u>740 for all borrowers</u> |

Continued on next page

Credit Requirements, Continued

Credit Score Requirements – Agency Plus, continued

Second Homes – Fixed Rate and ARMs:

| Minimum Credit Score |
|-----------------------|
| 740 for all borrowers |

Investment Properties – Fixed Rate and ARMs:

| Minimum Credit Score |
|-----------------------|
| 740 for all borrowers |

Credit History Analysis

ST to ST Transactions

- As of the date of the application, the borrower must be current on the existing first mortgage being refinanced.
- The acceptable mortgage payment history for all mortgage tradelines will be determined by DU.
- If a mortgage tradeline was NOT 60 days or more past due when the account was last reported (i.e., loan was current when last reported), BUT has been 60 days or more past due in the last 12 months, the loan casefile will receive an “Ineligible” recommendation.
- If the DU Findings Report does not address a mortgage tradeline that is 60 or more days past due within the last 12 months, that appears on the credit report, the tradeline must be manually evaluated outside of DU.
- It is not required that the borrower(s) comply with the waiting period and re-establishment of credit criteria following a bankruptcy, foreclosure, deed-in-lieu of foreclosure, or short sale.
 - However if the credit history includes a bankruptcy which includes the subject property and is still open, in order for the DU Refi Plus loan to be eligible for origination, written permission from the bankruptcy court must be obtained to proceed with the refinance.
- Investigation of bankruptcies or foreclosures declared by the borrower in the Declarations section of the loan application is not required. All other declarations must be investigated.
- All other credit requirements must meet all other standard Agency DU guidelines.

Reference: See [Section 2.01: Agency Loan Programs](#) of the Correspondent Seller Guide for additional information.

Non-ST to ST Transactions

ST to ST guidelines apply.

Cash Requirements

General

Unless otherwise outlined in this product description, cash requirements follows standard Agency DU guidelines.

Reference: See [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for standard Agency DU guidelines.

Asset Documentation Requirements

ST to ST Transactions

- The amount of assets (which may include reserves) must be verified to the extent that the DU Findings Report requires such verification.
- Assets must be verified in accordance with Asset Documentation Requirements table below.
- Lenders are not required to investigate large deposits that appear on the account statements.
- Proof of liquidation of assets is not required, even if those assets are used by the borrower to pay closing costs.
- Standard DU policy regarding “discounting” certain assets applies if the assets are required to satisfy DU reserve requirements.
- DU offers a reduced level of asset documentation for DU Refi Plus mortgage loans. However, when a component of the loan file is validated by the DU validation service, DU will issue a message indicating the required documentation. This documentation requirement may differ from the reduced documentation requirements described below.

Reference: See “DU Validation Service” in the “Fannie Mae DU Loans” subtopic presented in the “Underwriting the Borrower” topic of Section 2.01: Agency Loan Programs of the *Correspondent Seller Guide* for additional information regarding the DU Validation Service.

Continued on next page

Cash Requirements, Continued

Asset Documentation Requirements, continued

ST to ST Transactions, continued

- The reduced documentation requirements for DU Refi Plus transactions include, but are not limited to, the following:

| Asset Type | Documentation Requirement |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Checking Accounts• Savings Accounts• Certificates of Deposit• Money Market Accounts• Stocks, Bonds, Mutual Funds• Retirement Accounts• Trust Accounts• Secured Borrowed Funds | One recent statement (monthly, quarterly, or annual) showing asset balance. |
| <ul style="list-style-type: none">• Gifts | See <i>Verifying Donor Availability of Funds and Transfer of Gift Funds</i> topic in the Gifts Section presented in Section 2.01: Agency Loan Programs of the <i>Correspondent Seller Guide</i> . |
| All Other Asset Types | Document in accordance with standard Agency DU guidelines. |

Reference: See [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for standard Agency DU guidelines.

Non-ST to ST Transactions

ST to ST guidelines apply

Continued on next page

Cash Requirements, Continued

Cash Reserves - Agency

The table below provides cash reserve requirements for Agency DU Refi Plus transactions.

ST to ST Transactions

The cash reserve requirements for Agency DU Refi Plus transactions are outlined in the table below:

| Occupancy Type | Reserve Requirement |
|---------------------|---------------------|
| Primary Residence | 1-4 Units: Per DU |
| Second Home | 1 Unit: Per DU |
| Investment Property | 1-4 Units: Per DU |

Non-ST to ST Transactions

The cash reserve requirements for Agency DU Refi Plus transactions are outlined in the table below:

| Occupancy Type | Reserve Requirement |
|---------------------|-----------------------------------------------------------|
| Primary Residence | 1-4 Units: Per DU |
| Second Home | <u>1 Unit: Two (2) months reserves are required.</u> |
| Investment Property | <u>1 – 4 Units: Six (6) months reserves are required.</u> |

Reference: See [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for additional information.

Continued on next page

Cash Requirements, Continued

Cash Reserves – Agency Plus

The table below provides cash reserve requirements for Agency Plus DU Refi Plus transactions.

ST to ST Transactions

The cash reserve requirements for Agency Plus DU Refi Plus transactions are outlined in the table below:

| Occupancy Type | Reserve Requirement |
|---------------------|---------------------|
| Primary Residence | 1-4 Units: Per DU |
| Second Home | 1 Unit: Per DU |
| Investment Property | 1-4 Units: Per DU |

Non-ST to ST Transactions

The cash reserve requirements for Agency Plus DU Refi Plus transactions are outlined in the table below:

| Occupancy Type | Reserve Requirement |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Primary Residence | <ul style="list-style-type: none">• <u>If LTV \leq 80%, then four (4) months of reserves required.</u>• <u>If LTV > 80%, then six (6) months of reserves required.</u> |
| Second Home | <u>Four (4) months of reserves required.</u> |
| Investment Property | <u>Six (6) months of reserves required.</u> |

Reference: See [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for additional information.

Interested Party Contributions (IPCs)

Lender Contributions

- Standard Agency IPC guidelines apply regarding lender contributions, except as outlined below:
 - SunTrust currently does not permit the Fannie Mae allowed lender incentive to the borrower in the form of a payment (not exceeding \$2,000) to pay off a portion of the mortgage loan being refinanced.

Reference: See [Section 2.01 Agency Loan Programs](#) of the *Correspondent Seller Guide* for additional information regarding lender contributions.

Temporary Interest Rate Buydowns

The table below provides information on temporary interest rate buydowns for Agency and Agency Plus DU Refi Plus transactions.

| ST to ST Transactions | Non-ST to ST Transactions |
|---------------------------------------------------------------------------------------------|----------------------------|
| Temporary interest rate buydowns, including the SunTrust ARM Alternative, are NOT eligible. | ST to ST guidelines apply. |

Mortgage Insurance

General

ST to ST Transactions

- The requirement for mortgage insurance (MI) for the new refinance transaction will depend on the current MI coverage on the existing loan.
- The table outlined below shows when mortgage insurance will be required for the new loan.

| Original LTV of Existing Loan | Existing MI Coverage in Force | MI Coverage Required for New Loan |
|-------------------------------|----------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <= 80% | None | Not Required |
| > 80% | None (MI previously cancelled or terminated) | Not Required |
| > 80% | Yes | Yes* <i>* Loan is NOT eligible for origination under the DU Refi Plus Loan Program.</i> |

- If mortgage insurance is required for the **NEW** loan, the transaction is **NOT** eligible for origination with SunTrust under the DU Refi Plus loan program.
- Existing loans with lender paid mortgage insurance (LPMI) are also not eligible.

Notes:

- New refinance transactions with LTVs <= 80% do not require MI regardless if the existing loan has MI.
- DU will issue the following message on transactions in which the existing Fannie Mae loan was greater than 80%, and does not appear to have MI based on the information currently available to DU:

Fannie Mae's records indicate that the existing Fannie Mae loan does not currently have mortgage insurance coverage in effect. Mortgage insurance is not required for this DU Refi Plus loan casefile.

Mortgage Insurance, Continued

General,
continued

Non-ST to ST Transactions

- If the original LTV of the existing loan was $\leq 80\%$ or if the LTV was $> 80\%$; however, the existing loan does not have mortgage insurance (MI previously canceled or terminated), then MI coverage is not required on the new loan.
 - The maximum loan-to-value (LTV) guidelines for Non-ST to ST (MI NOT REQUIRED on Original Loan) must be followed.

Reference: See the *Loan Terms* topic previously presented in this product description for maximum loan-to-value (LTV) requirements.

Notes:

- New refinance transactions with LTVs $\leq 80\%$ do not require MI regardless if the existing loan has MI.
- DU will issue the following message on transactions in which the existing Fannie Mae loan was greater than 80%, and does not appear to have MI based on the information currently available to DU:

Fannie Mae's records indicate that the existing Fannie Mae loan does not currently have mortgage insurance coverage in effect. Mortgage insurance is not required for this DU Refi Plus loan casefile.

- If mortgage insurance is required for the NEW loan, the transaction is **NOT** eligible for origination with SunTrust under the DU Refi Plus loan program.
 - Existing loans with lender paid mortgage insurance (LPMI) are also not eligible
-

Documentation Requirements

General

The table below provides documentation requirements for Agency and Agency Plus DU Refi Plus transactions.

| ST to ST Transactions | Non-ST to ST Transactions |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <p>Unless otherwise outlined in this product description, DU Refi Plus transactions must be documented in accordance with the requirements outlined on the DU Findings Report.</p> <p>References:</p> <ul style="list-style-type: none"> • See the <i>Appraisal Requirements</i> topic subsequently presented in this product description for additional information regarding appraisal documentation requirements. • See the <i>Cash Requirements</i> topic previously presented in this product description for additional information regarding asset documentation requirements. • See the <i>Income</i> topic previously presented in this product description for additional information regarding income documentation requirements. | <p>ST to ST guidelines apply.</p> |

Appraisal Requirements

General

- **DU Refi Plus Property Valuation Requirements**
 - The lender must comply with the appraisal requirements issued by DU. For certain DU Refi Plus loan casefiles, DU offers to waive the requirement for an appraisal. For loan casefiles that are not eligible for an appraisal waiver, DU will require an appraisal based on an interior and exterior inspection reported on the appropriate appraisal report form for the type of property being appraised. If the lender exercises an appraisal waiver, the lender is not responsible for the standard representations and warranties related to the value, marketability, and condition of the property. See the “DU Refi Plus Appraisal Waiver” section presented below for additional details.
 - If the lender obtains an appraisal for the subject property, the lender is not responsible for the standard representations and warranties related to the value, marketability, and condition of the property as reflected in the property valuation.
 - Lenders may deliver loans on properties with a condition rating of C6 and/or a quality rating of Q6 completed on an “as-is” basis. There is no requirement for the appraisal to be completed “subject to” repairs being made.
 - The lender is not responsible for the following requirements:
 - accuracy and completeness of the appraisal and its assessment of the marketability of the property;
 - underwriting the completed appraisal report to determine whether the subject property presents adequate collateral for the mortgage;
 - ensuring that the appraiser uses sound reasoning and provides evidence to support the methodology used for developing the value opinion, particularly in cases that are not covered by Fannie Mae guidelines; and
 - ensuring that the appraiser provides an accurate opinion, an adequately supported value, and an accurate description of the property.
- **DU Refi Plus Appraisal Waiver**
 - The following transactions are eligible for consideration for an appraisal waiver:
 - one-unit properties,
 - primary residences, second homes, and investment properties,
 - loan casefiles at any LTV, TLTV, or HTLTV, even those greater than 125%,
 - attached and detached properties, and units in a condominium project, and
 - loan casefiles that receive an “Approve/Eligible” recommendation.
 - The appraisal waiver will not be offered on two- to four-unit properties, and loan casefiles that receive an “Ineligible” recommendation.

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Appraisal Requirements, Continued

General (continued)

- Laws and regulations regarding the use of appraisals and automated valuation models may vary. The lender is responsible for compliance with all federal, state and local laws, rules and regulations. When the lender is required by law to obtain an appraisal, the lender must comply with such requirements, but may still exercise the appraisal waiver.

Notes:

- An appraisal waiver is not allowed in all states. Correspondent lenders are responsible for adhering to all state, federal and/or regulatory lending guidelines, as well as licensing requirements. Correspondent lenders are advised to consult with their legal counsel or compliance managers for further state-specific appraisal waiver guidance.
- If the transaction is eligible for an appraisal waiver, the appraisal waiver MUST be exercised, regardless if geographic restrictions apply and/or an appraisal has been ordered.
- When a lender exercises an appraisal waiver for a DU Refi Plus loan, Fannie Mae accepts the property value estimate submitted to DU as the market value for the subject property and as noted above, the lender is not required to make any representation or warranty as to value, marketability, or condition of the subject property. However, the lender continues to be required to represent and warrant that all of the information and data submitted to DU is complete and accurate.
- The property value the lender enters in DU may be based on:
 - the lender's estimate of value, determined at the discretion of the lender, or
 - the borrower's estimate of value.
- If a loan casefile is eligible for the appraisal waiver, the loan casefile will receive two fieldwork messages:
 - one message indicating that the loan is eligible for delivery to Fannie Mae without an appraisal, if the appraisal waiver is exercised by the lender, and
 - a second message indicating the fieldwork required if the lender chooses not to exercise the appraisal waiver when delivering the loan to Fannie Mae.
- If DU does not offer an appraisal waiver, the lender must obtain an appraisal on the form specified in the DU Underwriting Findings report.

Note: DU will issue a message on DU Refi Plus loan casefiles when the subject property address cannot be standardized, or Fannie Mae's databases do not have sufficient information about the property to determine eligibility for an appraisal waiver. This message will state that based on the address and other information available to DU, the property is not eligible for an appraisal waiver.

Continued on next page

Appraisal Requirements, Continued

General (continued)

- A lender may only exercise the appraisal waiver if:
 - the final submission of the loan casefile to DU resulted in an appraisal waiver offer, and
 - the appraisal waiver offer is not more than four months old on the date of the note and the mortgage.
- Fannie Mae specifically does not warrant that the estimated value used in the determination of eligibility for the appraisal waiver represents the actual value of the subject property.
- **Special Feature Code Requirement:** Lenders that elect to exercise the appraisal waiver must include SFC 807 at delivery.
- **SunTrust Note:** The following guidelines apply if an appraisal has been ordered AND the appraisal waiver has also been exercised:
 - The appraisal must be underwritten, analyzed, and reviewed to ensure the appraised value is supported.
 - The value from the appraisal must be used when submitted to DU.
 - **Special Feature Code Requirement:** SunTrust systems must reflect the highest level of appraisal review obtained. The Special Feature code of 807 MUST always be reflected when a DU Refi Plus appraisal waiver has been exercised.

Non-ST to ST Transactions

ST to ST guidelines apply with the following EXCEPTIONS:

- Delegated clients who have a relationship with CoreLogic using SunTrust parameters, are encouraged to utilize this valuation tool when originating this loan program. SunTrust reserves the right to run the appropriate CoreLogic report on any loan prior to loan purchase.

Properties Affected by a Disaster

A property secured by a DU Refi Plus mortgage that was damaged as a result of a disaster is not required to be repaired prior to delivery as long as the loan meets the standard property insurance guidelines. Therefore, an additional inspection and/or new appraisal of the property is not necessary after a disaster.

Reference: See [Section 1.14: Hazard and Flood Insurance](#) and [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for guidance related to standard property insurance requirements.

AUS Submission, Recommendations and Tolerances

AUS Submission

- All Agency DU Refi Plus transactions must be processed through Fannie Mae's Desktop Underwriter (DU) and receive a DU Refi Plus "Approve/Eligible" recommendation.
- Agency and Agency Plus DU Refi Plus transactions are NOT eligible for traditional underwriting or processing through Freddie Mac's Loan Prospector (LP) automated underwriting system.

Reference: See [Section 1.04: Automated Underwriting](#) and the "Fannie Mae DU Loans" subtopic within the "Underwriting the Borrower" topic of [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for additional information regarding AUS submission/resubmission for DU Refi Plus transactions.

- When the loan casefile is submitted to DU, DU will determine if the borrower and subject property address on the loan casefile match an existing eligible Fannie Mae loan. A successful match is required in order for DU to evaluate the loan for DU Refi Plus eligibility.

Notes:

- For borrower(s) who are refinancing an existing SunTrust first mortgage (ST to ST transaction), if an address needs to be corrected in Fannie Mae's database due to 911 address changes or incorrect data in the SunTrust Fidelity servicing system, Correspondent lenders should email the *Request for Information for DU Refi Plus™* form ([COR_0062](#)) to SunTrust.Corr.DURefiPlus@suntrust.com with the correct information in the body of the email and information that supports the address change is accurate [i.e. legal information, United States Post Office (USPO) address, etc.].
- SunTrust will then send an email to have the information corrected in the SunTrust Fidelity servicing system. Additionally, it may take up to two (2) to three (3) weeks before the corrected address is reflected in Fannie Mae's database.

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AUS Submission, Recommendations and Tolerances, Continued

AUS Submission, (continued)

- The following messages will be issued by DU (in the *Risk/Eligibility* section of the DU Underwriting Findings Report) when the loan casefile is identified by DU as being eligible for the DU Refi Plus loan program:
 - *“This loan casefile appears to meet the expanded risk assessment and eligibility guidelines offered on DU Refi Plus loan casefiles.”*
 - *“This loan casefile was underwritten according to the DU Refi Plus expanded eligibility guidelines offered on certain limited cash-out refinance loan casefiles where the borrower’s existing loan is identified by DU as a Fannie Mae loan. If this loan casefile is delivered to Fannie Mae, it must be delivered with Special Feature Code 147. By selling a DU Refi Plus loan to Fannie Mae, the Lender represents and warrants that the borrower is receiving a benefit in the form of either a reduction in the monthly mortgage principal and interest payment, a reduction in the interest rate, a reduction in the amortization term, or movement to a more stable product.”*

Note: DU will also provide messaging to inform users why a loan casefile was not underwritten as a DU Refi Plus loan. Specific messaging will appear in the *Risk/Eligibility* section of the DU Underwriting Findings Report.

Tolerances

Reference: See the “Fannie Mae DU Loans” subtopic within the “Underwriting the Borrower” topic of [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for additional information regarding tolerances for DU Refi Plus transactions.

DU Refi Plus Opt Out Option

- The DU Refi Plus Opt Out Option provides the ability to submit a loan to DU and forgo the DU Refi Plus eligibility analysis. When the DU Refi Plus Opt Out Option is exercised, DU analyzes the loan as a standard limited cash-out (rate/term) refinance transaction.
-

Underwriting

General

- Correspondent lenders who have been approved by SunTrust for “Level II and “Expanded Delegated” underwriting authority may underwrite and approve DU Refi Plus loan transactions.
- Correspondent lenders who do not have “Level II Delegated” or “Expanded Delegated” underwriting authority must submit DU Refi Plus loans to SunTrust.
- Delegated lenders may not use MI Contract underwriting for this program.
- All Agency and Agency Plus DU Refi Plus transactions must be processed through Fannie Mae’s Desktop Underwriter (DU) and receive a DU Refi Plus “Approve/Eligible” recommendation.
- Agency and Agency Plus DU Refi Plus transactions are NOT eligible for traditional underwriting or processing through Freddie Mac’s Loan Prospector (LP) automated underwriting system.

Reference: See the *AUS Submission, Recommendations and Tolerances* topic previously presented in this product description for additional information.

- The *Correspondent Underwriting Submission Checklist* ([COR 0005](#)) must be submitted with all new loans and/or loan resubmissions.

Reference: See [Section 1.05 Underwriting](#) in the *Correspondent Seller Guide* for additional information.

- A CoreLogic report of any kind will NOT be required for borrowers who are refinancing an existing SunTrust first mortgage (*ST to ST transaction*) under the DU Refi Plus loan program (Agency and Agency Plus DU Refi Plus transactions).
- For non-ST to ST transactions, delegated clients, who have a relationship with Corelogic using SunTrust parameters, are encouraged to utilize this valuation tool when originating this loan program. SunTrust reserves the right to run the appropriate Corelogic report on any loan prior to loan purchase.

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Underwriting, Continued

Borrower Verification The table below provides borrower verification procedures for Agency and Agency Plus DU Refi Plus transactions.

| ST to ST | Non-ST to ST |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • When DU matches the social security number (SSN) by only seven or eight digits (instead of nine), DU will issue a message requiring the lender to ensure the borrower(s) on the loan casefile is the borrower(s) on the current loan. Acceptable documentation from the existing loan to confirm that the borrowers are the same on the new loan include a recent mortgage statement, the existing mortgage note or security instrument, or the most recent Form 1098. • Verify that the borrower's SSN has been entered into the DU system correctly. If not, correct the borrower's SSN and resubmit the loan to DU. • Confirm the Fidelity Snapshot indicates the borrowers on the current mortgage and the new mortgage are the same. • Verify the current mortgage loan is reported on the borrower's credit report. <p>Special Feature Code Requirement: On the origination system, SFC 162 must be entered as appropriate in the field labeled "Agency Special Feature Codes" to identify transactions that have the social security number verification message and a third party confirms the social security number belongs to the borrower.</p> | <ul style="list-style-type: none"> • When DU matches the social security number (SSN) by only seven or eight digits (instead of nine), DU will issue a message requiring the lender to ensure the borrower(s) on the loan casefile is the borrower(s) on the current loan. Acceptable documentation from the existing loan to confirm that the borrowers are the same on the new loan include a recent mortgage statement, the existing mortgage note or security instrument, or the most recent Form 1098. • Verify that the borrower's SSN has been entered into the DU system correctly. If not, correct the borrower's SSN and resubmit the loan to DU. • Verify the current mortgage loan is reported on the borrower's credit report. • Obtain a copy of the Note for the mortgage that is being refinanced. <p>Special Feature Code Requirement: On the origination system, SFC 162 must be entered as appropriate in the field labeled "Agency Special Feature Codes" to identify transactions that have the social security number verification message and a third party confirms the social security number belongs to the borrower.</p> |

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Underwriting, Continued

Pricing

- Rate sheets will reflect specific adjustments for the DU Refi Plus loan program. The same Agency and Agency Plus base pricing will be utilized.

CORRESPONDENT LENDERS MUST COMPLETE THE "REQUEST FOR SUNTRUST TO SUNTRUST INFORMATION FOR DU REFI PLUS™ LOANS" FORM ([COR 0062](#)) PRIOR TO REGISTERING OR LOCKING A DU REFI PLUS LOAN. Upon SunTrust's receipt of this form, the Fidelity Snapshot will be accessed by a SunTrust teammate to confirm if SunTrust is servicing the existing first mortgage and if the existing first mortgage meets initial eligibility tests for DU Refi Plus.

- The procedures for changing an existing lock to a DU Refi Plus are outlined below:
 - Contact the Lock Desk by phone at; 1-800-382-2111 (Option #1, Option #3).

Note: Should a fax or e-mail request be received, there is a turnaround time of 24 hours. Turnaround time is subject to change based on capacity.
 - The Lock Desk will change the loan to a DU Refi Plus loan. Please note that these loans are subject to the original base pricing and loan adjustments.

Continued on next page

Underwriting, Continued

Condominium Abbreviated Review – ST to ST and Non-ST to ST Transactions

The procedures for obtaining an abbreviated condominium review are outlined below:

Non-Delegated Correspondent Lenders:

- The DU Refi Plus review submissions require the following documents:
 - completed Submission Request Form *SunTrust Condo Approval Request* ([COR 0215](#)),
 - copy of flood certificate,
 - copy of appraisal (1073 ONLY if one is required for the transaction),
 - copy of Insurance Certificate (Hazard, H06, and Flood if applicable),

Note: Regardless of the number of units in the condominium project, confirmation of fidelity insurance coverage is not required under the DU Refi Plus loan program.

- completed *Fannie Mae DU Refi Plus Condominium Questionnaire* ([COR 0217](#)),
 - DU Findings Report,
 - copy of the Fidelity Snapshot (for ST to ST transactions only), and
 - original ST Loan number (for ST to ST transactions only).
- DU Refi Plus Review requests may be sent via email to mortgage.condodesk@suntrust.com (include DU Refi Plus Review request in the subject line).
 - DU Refi Plus Review requests will be responded to within 24-48 hours of receipt of the complete submission.
 - The Correspondent lender will receive a completed *Certification of Project Compliance: Condominium Lender Warranties-Agency and Non-Agency Loan Products Warranty Form* ([COR 0212a](#)) signed by an authorized Condo Analyst (marked DU Refi Plus Certified) which must be placed in your file on top of the appraisal.

Continued on next page

Underwriting, Continued

PUD Review – ST to ST Transactions

A PUD review/warranty is not required on DU Refi Plus ST to ST transactions.

PUD Review – Non-ST to ST Transactions

On attached PUDs, a PUD review/warranty is required on DU Refi Plus non-ST to ST transactions.

Reference: See [Section 1.06: Condominium and PUD Approval Requirements](#) of the *Correspondent Seller Guide* for warranty requirements.

Subordination

See [Section 1.26a: Subordinations for DU Refi Plus](#) of the *Correspondent Seller Guide* for specific credit overlays and procedures for the subordination of SunTrust second mortgages.

Referrals to SunTrust’s Loss Mitigation Department – ST to ST Transactions

- Borrowers who are refinancing an existing SunTrust first mortgage (ST to ST transaction) should be referred to SunTrust’s Loss Mitigation Department to review loan modification options if they fall outside of the DU Refi Plus loan parameters outlined in this product description, but are at risk of “imminent default”.
 - SunTrust’s Loss Mitigation Department’s toll free number is: 1-800-443-1032, Option #3, or borrowers may submit a request for assistance at www.suntrustmortgage.com (Click on Client Payment Concerns).
 - Borrowers not delinquent on their mortgage will first be routed to Customer Service, second to Collections, and then to Loss Mitigation.
 - Borrowers, who are delinquent on their mortgage but not “active” in loss mitigation, will be routed to Collections and subsequently to Loss Mitigation as appropriate.
-

Application Disclosures and Issues

Consumer Handbook on Adjustable Rate Mortgages

The Consumer Handbook on Adjustable Rate Mortgages must be given to borrowers prior to loan application, when originating an ARM transaction. The borrowers must sign an acknowledgement of receipt of the Handbook on the program disclosure.

Program Disclosures

The applicable ARM program disclosure must be presented to and signed by the borrower prior to loan application, when originating an ARM transaction. The form must be present in the file prior to funding.

Other Loan Application and Compliance Issues

References:

- See Compliance documents for information regarding application and compliance issues (i.e., TILA requirements, HMDA issues, Loan Estimate, etc.).
 - See [Section 1.35: Compliance Overview](#) of the *Correspondent Seller Guide* for additional information.
-

Loan Setup and Processing

Appraisal Codes

The applicable appraisal code is required for all DU Refi Plus loan transactions:

- 7 – DU Appraisal Waiver

Note: If the appraisal waiver has been exercised AND an appraisal has been ordered, the origination system must reflect the highest level of appraisal review obtained. The appraisal waiver appraisal code of “7” should NOT be used.

- F – Full appraisal

Note: On the origination system, the appraisal code field MUST BE entered.

AUS Used

- The following information is required in the “AUS USED” field for all DU Refi Plus loan transactions:
 - D – Desktop Underwriter
- The above information will automatically default in the “AUS USED” field if the “VENDOR” field is completed.

Reference: See the *Vendor Code* subtopic subsequently presented for additional information.

Processing Type

A processing type of “FAD” is required for all loans originated under the DU Refi Plus loan program.

Note: On the origination system, the processing type MUST BE entered in the field labeled “PROC TYPE.”

Continued on next page

Loan Setup and Processing, Continued

Program Codes – Agency The tables below provide program codes for Agency DU Refi Plus transactions.

| ST to ST Transactions | | Non-ST to ST Transactions | |
|--------------------------------------------------------------|--------------|-----------------------------------------------------------------------|--------------|
| Program Name | Program Code | Program Name | Program Code |
| DU Refi Plus – Agency 30 Year Fixed, Fully Amortizing | C30RP | DU Refi Plus – Non-ST - Agency 30 Year Fixed, Fully Amortizing | C30NRP |
| DU Refi Plus – Agency 20 Year Fixed, Fully Amortizing | C20RP | DU Refi Plus – Non-ST - Agency 20 Year Fixed, Fully Amortizing | C20NRP |
| DU Refi Plus – Agency 15 Year Fixed, Fully Amortizing | C15RP | DU Refi Plus – Non-ST - Agency 15 Year Fixed, Fully Amortizing | C15NRP |
| DU Refi Plus – Agency 10 Year Fixed, Fully Amortizing | C10RP | DU Refi Plus – Non-ST - Agency 10 Year Fixed, Fully Amortizing | C10NRP |
| DU Refi Plus – Agency 5/1 ARM, Fully Amortizing (2/2/5 Caps) | A51RP | DU Refi Plus – Non-ST - Agency 5/1 ARM, Fully Amortizing (2/2/5 Caps) | A51NRP |
| DU Refi Plus – Agency 5/1 ARM, Fully Amortizing (5/2/5 Caps) | 51RP | DU Refi Plus – Non-ST - Agency 5/1 ARM, Fully Amortizing (5/2/5 Caps) | 51NRP |
| DU Refi Plus – Agency 7/1 ARM, Fully Amortizing | 71RP | DU Refi Plus – Non-ST - Agency 7/1 ARM, Fully Amortizing | 71NRP |
| DU Refi Plus – Agency 10/1 ARM, Fully Amortizing | 10RP | DU Refi Plus – Non-ST - Agency 10/1 ARM, Fully Amortizing | 10NRP |

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Loan Setup and Processing, Continued

Program Codes –Agency Plus The tables below provide program codes for Agency Plus DU Refi Plus transactions.

| ST to ST Transactions | | Non-ST to ST Transactions | |
|-------------------------------------------------------------------|--------------|----------------------------------------------------------------------------|--------------|
| Program Name | Program Code | Program Name | Program Code |
| DU Refi Plus – Agency Plus 30 Year Fixed, Fully Amortizing | C30HRP | DU Refi Plus – Non-ST - Agency Plus 30 Year Fixed, Fully Amortizing | C30NHR |
| DU Refi Plus – Agency Plus 20 Year Fixed, Fully Amortizing | C20HRP | DU Refi Plus – Non-ST - Agency Plus 20 Year Fixed, Fully Amortizing | C20NHR |
| DU Refi Plus – Agency Plus 15 Year Fixed, Fully Amortizing | C15HRP | DU Refi Plus – Non-ST - Agency Plus 15 Year Fixed, Fully Amortizing | C15NHR |
| DU Refi Plus – Agency Plus 10 Year Fixed, Fully Amortizing | C10HRP | DU Refi Plus – Non-ST - Agency Plus 10 Year Fixed, Fully Amortizing | C10NHR |
| DU Refi Plus – Agency Plus 5/1 ARM, Fully Amortizing (2/2/5 Caps) | A51HRP | DU Refi Plus – Non-ST - Agency Plus 5/1 ARM, Fully Amortizing (2/2/5 Caps) | A5NHRP |
| DU Refi Plus – Agency Plus 5/1 ARM, Fully Amortizing (5/2/5 Caps) | 51HRP | DU Refi Plus – Non-ST - Agency Plus 5/1 ARM, Fully Amortizing (5/2/5 Caps) | 51NHRP |
| DU Refi Plus – Agency Plus 7/1 ARM, Fully Amortizing | 71HRP | DU Refi Plus – Non-ST - Agency Plus 7/1 ARM, Fully Amortizing | 71NHRP |
| DU Refi Plus – Agency Plus 10/1 ARM, Fully Amortizing | 10HRP | DU Refi Plus – Non-ST - Agency Plus 10/1 ARM, Fully Amortizing | 10NHRP |

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Loan Setup and Processing, Continued

SunTrust to SunTrust Refinance and ST Refi Loan Number Fields

For all DU Refi Plus transactions, on the origination system:

- a “Y” (for Yes) must be entered in the “SUNTRUST TO SUNTRUST REFI” field, and
 - the existing (i.e., original) loan number must be entered in the “ST REFI LOAN NUMBER FIELD.”
-

Target Investor Code

The target investor code is 111 for all DU Refi Plus loans.

Vendor Code

The following vendor code is required for all DU Refi Plus loan transactions:

- D – Desktop Underwriter

Note: On the origination system, the vendor code field **MUST BE** entered in the AUTOMATED UNDERWRITING section in the field labeled “VENDOR.”

Closing and Loan Settlement Documentation

General

Unless specified below, all closing forms and documentation should follow standard SunTrust guidelines.

Closing Legal Documents

The following table shows the required legal documents and investor forms.

| Legal Documents | Investor Form |
|------------------------------------------------------------------------------|-------------------------------------------------------|
| Fixed Rate Note | Fannie Mae/Freddie Mac 3200 or state specific version |
| Non-Convertible Fully Amortizing 5/1, 7/1 & 10/1 LIBOR Adjustable Rate Note | Fannie Mae 3528 or state specific version |
| Security Instrument | Fannie Mae/Freddie Mac state specific version |
| Non-Convertible Fully Amortizing 5/1, 7/1 & 10/1 LIBOR Adjustable Rate Rider | Fannie Mae 3187 |
| 2nd Home Rider, if applicable | Fannie Mae/Freddie Mac 3890 |
| 1-4 Family Rider, if applicable | Fannie Mae/Freddie Mac 3170 |
| Condo Rider, if applicable | Fannie Mae/Freddie Mac 3140 |
| PUD Rider, if applicable | Fannie Mae/Freddie Mac 3150 |

Escrow Accounts and Escrow Waivers

Standard Agency DU guidelines apply, except as follows:

- It is acceptable to waive escrows for real estate taxes and/or hazard insurance on primary residences and second homes, as follows:
 - If the new loan LTV is \leq 80%, then standard escrow waiver guidelines apply.
 - If the new loan LTV is $>$ 80%, then standard escrow waiver guidelines apply with the following exception:
 - Escrows may be waived if the existing loan escrows are waived and it is confirmed that the property hazard insurance and taxes are current.
- Investment properties are ineligible for any type of escrow waivers, regardless of LTV. An escrow account must be established for all insurances and property taxes, if the subject property is investment.

References: See [Section 1.03 Loan Registration and Lock-In Procedures](#), [Section 1.35: Compliance Overview](#) and [Section 2.01: Agency Loan Programs](#) of the *Correspondent Seller Guide* for additional information regarding escrow waivers.

Closing and Loan Settlement Documentation, Continued

Principal Curtailments at Closing

- The borrower may only receive up to \$250 cash back at closing.
- If at closing the Settlement statement reflects the borrower receiving more than \$250 cash back, the lender can apply a principal curtailment for the excessive cash back. This is to reduce the amount of cash back to the borrower, thus bringing the loan into compliance with the maximum cash back requirement. Otherwise, the loan amount must be recalculated and loan documents updated.
 - The maximum amount of the principal curtailment cannot exceed the lesser of \$2,500 or 2% of the loan amount for the subject loan. Otherwise, the loan amount must be recalculated.
 - If a principal curtailment is made at the time of closing, it must be documented on the Settlement Statement with the amount of the principal curtailment and reason.
 - No other loan documents (i.e., Loan Estimate, initial/final disclosures and 1003) should reflect the principal curtailment amount. These documents must only show the maximum allowable cash back to the borrower.
 - DU must NOT be resubmitted to reflect the principal curtailment amount as cash back to the borrower.

Note: The 100% AUS data integrity requirement will be met when DU only reflects the cash back to the borrower, excluding the principal curtailment.

- **For SunTrust Internal Employees Only:** 69 in the “Abbreviated Status” field on the origination system denotes a principal curtailment was applied.
-